



Maryland Department of Budget & Management

*DBM – people and technology...
a partnership for the new millennium*

Office of the Secretary

*ROBERT L. EHRLICH, JR.
Governor*

*MICHAEL S. STEELE
Lieutenant Governor*

*JAMES C. DIPAULA
Secretary*

June 1, 2003

TO: Agency Secretaries
Chief Financial Officers

FROM: James C. DiPaula
Secretary

RE: Fiscal Year 2005 Budget

Once again, we are beginning another budget cycle. Unfortunately, the current revenue projections indicate that State agencies will be required to make significant general fund reductions in order to develop a mandated balanced budget. Although this will be challenging, we are asking agencies to make prudent, yet practical reviews of their programs. Considerations for reductions and/or reallocations should be focused in the following areas:

- Programs that are not critical to the primary mission of the agency
- Programs in which program performance continues to be below target outcome levels
- Programs and/or processes that can be re-engineered to achieve efficiencies

In addition, timely budget submission is important to assure that your request receives full and fair consideration, and that there is adequate time to prepare the final budget. I look forward to working with you to fulfill Governor Ehrlich's vision for efficient government to serve Maryland. Thank you for your assistance in meeting this difficult challenge.

Updates and Revisions FY 2005 Budget Instructions

PAGE

Budget Requests due **August 29, 2003**

Submission of budget by magnetic tape is no longer acceptable – use cartridge - **NEW**

Funding by Subobject – All three report years (**FY 2003**, FY 2004 & FY 2005) 2

Managing for Results, due **August 15, 2003**, revised instructions 11-31

- Limit goals and objectives by focusing on key activities of programs
- Emphasis on program performance assessment
- Verification and validation procedures should be in place to avoid errors & miscalculations

Budget Enhancement Proposals – **due August 29, 2003** – revised instructions 60-65

Transit Subsidy – **Do not budget in FY 2005** 3, 43

No inflation for health insurance costs in FY 2005 request

Criteria for requesting new positions including contractual conversions – **Revised** 39-40

Cell Phone Expenditures (R*STARS Comptroller Object 0306) – **NEW** 3, 41

- Reporting of cell phones and expenditures on DA-2 form

Specific Statewide “Fund Source Codes” to be used for Fund File – **New** 34

- i.e. Cigarette Restitution Fund, Dedicated Purpose Fund, etc.

Revised instructions for Motor Vehicle Operations 51-52

- Strict Vehicle Purchase Guidelines

Collective Bargaining– **Revised instructions and forms** 2, 67-69,130-133

Comprehensive Reporting of Services to Children, Youth and Families – **Updated** 3, 70-85

Special Reporting requirements for Workers’ Compensation Risk Management – New 4, 86

Information Technology Project Requests – **provided by OIT in separate document**

Lease Payments for Equipment should include lease purchases added to FY 2004 and/or FY 2005 budget - contact your budget analyst - **Updated** 55, 107

Insurance Premiums: FY 2005 rates – **Note increase in rates** 57, 108-114

Unemployment rate – revised from .06 to .18 per \$100 89

**VITAL DATES
FOR
FY 2005
BUDGET PROCESS**

Date	Document Due	Format
August 15	Managing for Results, <u>with strategies and performance assessment</u>	<u>Electronic WORD</u> files to analyst and Delterese George
August 29	Budget Enhancement Proposals- FY 2005	<u>Prioritized list</u> & DA21s to Neil Bergsman
August 29	Chart of Accounts	HOBO or diskette, <u>and paper</u> to Pirro
August 29	Budget Amendments in FY 2004 column	HOBO or diskette, and paper to Neil Bergsman
August 29	Entire Budget Submission	HOBO, diskette, or cartridge , And paper to Pirro